

15 STATEMENT OF NET COST

The Consolidated Statement of Net Cost is presented by major program instead of strategic goal. The Department believes this is more consistent and transparent with its Congressional Budget submissions. The net cost of operations is the gross (i.e., total) cost incurred by the Department, less any exchange (i.e., earned) revenue.

The Consolidating Schedule of Net Cost categorizes costs and revenues by major program and responsibility segment. A responsibility segment is the component that carries out a mission or major line of activity, and whose managers report directly to top management. For the Department, a Bureau (e.g., Bureau of African Affairs) is considered a responsibility segment. For presentation purposes, Bureaus have been summarized and reported at the Under Secretary level (e.g., Under Secretary for Political Affairs).

CONSOLIDATING SCHEDULE OF NET COST

For the Year Ended September 30, 2017
(dollars in millions)

MAJOR PROGRAM	Under Secretary for							Total
	Arms Control, Int'l Security	Economic Growth, Energy and Environment	Civilian Security, Democracy and Human Rights	Political Affairs	Public Diplomacy and Public Affairs	Management-Consular Affairs	Intra-Departmental Eliminations	
Peace and Security								
Total Cost	\$ 636	\$ —	\$ 951	\$ 512	\$ —	\$ —	\$ (7)	\$ 2,092
Earned Revenue	(36)	—	(26)	(9)	—	—	7	(64)
Net Program Costs	600	—	925	503	—	—	—	2,028
Democracy, Human Rights and Governance								
Total Cost	—	—	574	20	—	—	(3)	591
Earned Revenue	—	—	(13)	—	—	—	3	(10)
Net Program Costs	—	—	561	20	—	—	—	581
Health, Education and Social Services								
Total Cost	—	—	7	8,363	—	—	—	8,370
Earned Revenue	—	—	—	—	—	—	—	—
Net Program Costs	—	—	7	8,363	—	—	—	8,370
Humanitarian, Economic Development and Environment								
Total Cost	—	—	3,219	139	—	—	—	3,358
Earned Revenue	—	—	—	—	—	—	—	—
Net Program Costs	—	—	3,219	139	—	—	—	3,358
International Organizations and Commissions								
Total Cost	1	37	—	3,061	—	—	—	3,099
Earned Revenue	—	—	—	(12)	—	—	—	(12)
Net Program Costs	1	37	—	3,049	—	—	—	3,087
Diplomatic and Consular Programs								
Total Cost	265	69	174	6,335	256	7,824	(709)	14,214
Earned Revenue	(55)	—	81	(704)	—	(6,786)	650	(6,814)
Net Program Costs	210	69	255	5,631	256	1,038	(59)	7,400
Administration of Foreign Affairs								
Total Cost	—	—	444	5,186	1,723	75	(4,170)	3,258
Earned Revenue	—	—	—	(440)	(1,878)	(3,735)	4,161	(1,892)
Net Program Costs Before Assumption Changes	—	—	444	4,746	(155)	(3,660)	(9)	1,366
Actuarial Loss on Pension Assumption Changes								
Assumption Changes	—	—	19	228	76	3	—	326
Net Program Costs	—	—	463	4,974	(79)	(3,657)	(9)	1,692
Total Cost	902	106	5,388	23,844	2,055	7,902	(4,889)	35,308
Total Revenue	(91)	—	42	(1,165)	(1,878)	(10,521)	4,821	(8,792)
Total Net Cost	\$ 811	\$ 106	\$ 5,430	\$22,679	\$ 177	\$ (2,619)	\$ (68)	\$26,516